



State of Utah

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DWS News Release

For 9:00 a.m. Release

January 17, 2006

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UTAH'S EMPLOYMENT SITUATION: December 2005

Utah's seasonally-adjusted unemployment rate for December registered 3.8 percent, down over one full percentage point from the unemployment rate of 5.0 percent registered a year ago in December 2004. Approximately 47,800 Utahns were unemployed in December 2005 as compared to 60,400 in December 2004. November's unemployment rate stands unrevised at 4.0 percent.

Utah's other primary indicator of current labor market conditions, the year-over change in the number of nonfarm wage and salaried jobs, registered 3.9 percent. This represents a renewed movement in employment growth rates. Rates hovered in the mid 3-percent range for much of the latter half of 2005, but here at the end of 2005, employment growth is again moving upward. November's growth rate has been revised up by 0.1 percentage point to 3.7 percent.

Mark Knold, Senior Economist for the Department of Workforce Services commented, "We are noticing a renewed strengthening in the Utah economy. Growth had approached 4 percent in the early part of 2005, but during the late spring through autumn period, employment growth had leveled off in the mid 3-percent range. We are now seeing that the growth rate is once again moving upward, and it looks sustainable. Therefore, the outlook as we close this year and move into 2006 is that Utah's employment situation will steadily improve."

Since December 2004, the United States economy has added 2 million new jobs — a growth rate of 1.5 percent. Over the past year, Utah's economy added approximately 44,000 new jobs, a growth rate of 3.9 percent. The Utah additions represent about 2.2 percent of all the new jobs added in the United States over the past year. The United States' unemployment rate moved downward to 4.9 percent.

Construction and professional and business services continue to lead the way in employment growth. Trade/transportation/utilities, along with education and health services, also stand out as areas with strong employment gains. All other industries continue to add workers in Utah, but at a more modest pace than the just-mentioned industries.

Construction has added approximately 10,000 new jobs over the course of the last year. This volume of growth increased steadily as 2005 progressed and is now the highest rate of construction growth — 13.2 percent — seen in ten years. Construction's gains are widespread across the state. The metropolitan areas are experiencing the most construction activity, but even distant areas like the Uintah Basin are seeing significant construction growth.

Residential construction is the foundation of the state's boom. The majority of construction activity is centered upon new housing developments, which includes occupations that employ framers, carpenters, plumbers, electricians, roofers, etc. Commercial and industrial construction is also booming, although these employment levels are less than residential activity. Large projects just underway or starting in 2006 include the LDS Church makeover of downtown Salt Lake City, the Kraftmaid plant, IHC hospitals, cleanup of Geneva Steel, Salt Lake City Airport work, Real Salt Lake Soccer stadium, just to name a few.

The professional and business services sector added 8,600 new jobs over the past year. Two areas stand out within this sector. The first is the growth in high-paying, knowledge-based, industries that hire workers such as engineers, accountants, architects, industrial designers, and technical researchers, to name a few. This is welcome activity, as this professional sector was relatively hard hit during the recession of the early part of this decade. To see the return of high-paying jobs in large numbers is an added bonus within Utah's economic expansion.

The other phenomenon is a rapid increase in employment through employment services (companies that act as hiring agencies for other companies). Activity in this sector often acts as a barometer of future economic direction. When the economy pulled out of recession in late 2003 and early 2004, it was signaled by a rapid increase in employment through this sector. The current rapid rise in this sector may be signaling the beginning of a rise to an even higher level of employment growth for Utah. When business surges, the business community reaches aggressively to this sector, using it as a vehicle to not only ramp up production quickly, but also as a way to evaluate workers for a permanent position.

The trade/transportation/utilities sector is the state's largest, employing nearly 234,000 workers. It has added approximately 7,000 new jobs over the past year, for a growth rate of 3.0 percent. Retail trade is the biggest component within this sector, and the holiday shopping season is the high point of employment in this sector. Early indications are that holiday hiring was robust this year.

The education and healthcare sector added 5,000 new jobs over the past year. Four thousand of these are in the healthcare sector, spread out rather evenly throughout the healthcare strata. Dentists' offices, doctors' offices, therapists, clinics, laboratories, hospitals, care facilities, and rehabilitation services all saw employment gains.

The remaining seven industrial sectors also are experiencing employment gains. There is a bit of a gap between the employment gains observed in the top four industrial sectors and these seven industrial sectors. Combined, they added an additional 13,600 new jobs over the past year, which is modestly above the 10,000 new jobs added from just one sector — construction.

Utah's January employment numbers will be released at 9:00 a.m. on Tuesday, February 14, 2006.

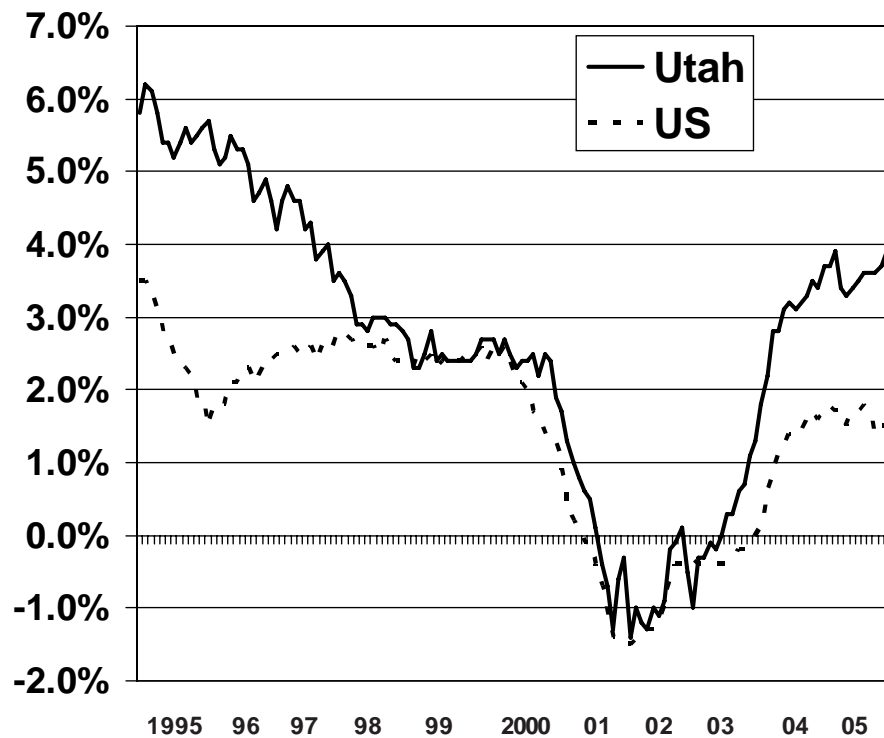
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Utah Nonagricultural Jobs by Industry and Components of the Labor Force

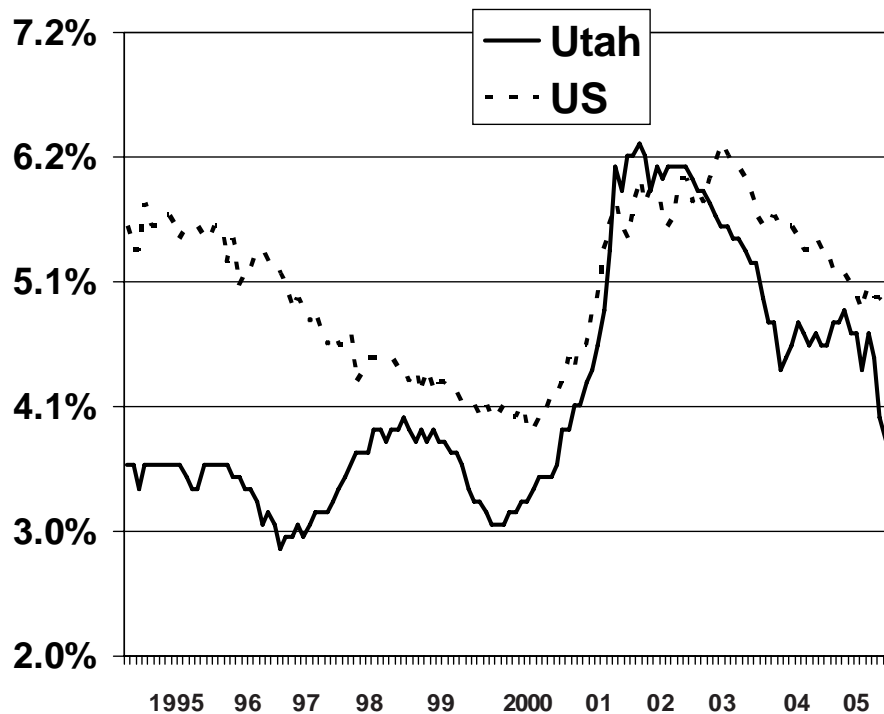
| Numbers are in thousands and are <u>not seasonally adjusted.</u> | December(f) 2005 | December 2004 | Percentage Change | Nov.(r) 2005 | Nov. 2004 | Percentage Change |
|---|---------------------|------------------|----------------------|-----------------|----------------|----------------------|
| CIVILIAN LABOR FORCE | 1,241.7 | 1,213.0 | 2.4 | 1,240.4 | 1,214.8 | 2.1 |
| Employed | 1,198.3 | 1,155.0 | 3.7 | 1,193.3 | 1,155.4 | 3.3 |
| Unemployed | 43.4 | 58.0 | -25.2 | 47.1 | 59.4 | -20.7 |
| Unemployment Rate | 3.5 | 4.8 | | 3.8 | 4.9 | |
| NONAGRICULTURAL EMPLOYMENT (Thousands) | 1,180.2 | 1,136.2 | 3.9 | 1,171.8 | 1,130.0 | 3.7 |
| GOODS PRODUCING | 212.7 | 199.7 | 6.5 | 212.8 | 199.9 | 6.5 |
| Natural Resources, and Mining | 8.6 | 7.5 | 14.0 | 8.4 | 7.4 | 13.6 |
| Construction | 85.1 | 75.1 | 13.2 | 85.8 | 76.0 | 12.9 |
| Construction of Buildings | 19.0 | 16.8 | 12.8 | 18.9 | 16.9 | 11.5 |
| Heavy and Civil Engineering | 8.5 | 7.5 | 13.1 | 9.0 | 8.0 | |
| Specialty Trade Contractors | 57.6 | 50.8 | 13.4 | 58.0 | 51.0 | 13.5 |
| Manufacturing | 119.0 | 117.0 | 1.7 | 118.5 | 116.5 | 1.8 |
| Durable Goods | 79.5 | 77.5 | 2.6 | 79.0 | 77.0 | 2.6 |
| Primary and Fabricated Metals | 15.3 | 14.9 | 2.8 | 15.2 | 14.7 | 3.5 |
| Computer and Electronic Products | 11.0 | 11.0 | -0.2 | 11.0 | 11.0 | 0.1 |
| Transportation and Equipment Manufacturing | 14.4 | 14.0 | 2.7 | 14.5 | 14.0 | 3.2 |
| Non-Durable Goods | 39.5 | 39.5 | 0.0 | 39.5 | 39.5 | 0.2 |
| Food Manufacturing | 13.3 | 13.9 | -4.2 | 13.4 | 14.0 | -4.6 |
| Printing and Related Support Activities | 7.0 | 7.2 | -1.9 | 7.1 | 7.2 | -1.3 |
| SERVICES PROVIDING | 967.5 | 936.5 | 3.3 | 959.0 | 930.1 | 3.1 |
| Trade, Transportation, and Utilities | 236.5 | 229.5 | 3.0 | 233.8 | 227.0 | 3.0 |
| Wholesale Trade | 43.9 | 42.0 | 4.6 | 43.6 | 41.8 | 4.2 |
| Retail Trade | 144.5 | 141.5 | 2.1 | 142.5 | 139.5 | 2.2 |
| Motor Vehicle and Parts Dealers | 16.9 | 16.5 | 2.4 | 16.9 | 16.5 | 2.0 |
| Food and Beverage Stores | 22.6 | 22.5 | 0.2 | 22.4 | 22.4 | 0.2 |
| General Merchandise Stores | 29.6 | 29.5 | 0.4 | 29.5 | 29.4 | 0.1 |
| Transportation and Utilities | 48.0 | 46.0 | 4.3 | 47.7 | 45.7 | 4.4 |
| Utilities | 4.0 | 3.9 | 1.6 | 4.0 | 3.9 | 1.5 |
| Transportation & Warehousing | 44.1 | 42.1 | 4.6 | 43.7 | 41.8 | 4.7 |
| Air Transportation | 6.9 | 6.0 | 14.3 | 6.8 | 6.0 | 14.3 |
| Truck Transportation | 17.6 | 17.6 | 0.0 | 17.6 | 17.6 | 0.0 |
| Information | 33.0 | 31.0 | 6.2 | 32.9 | 31.1 | 5.9 |
| Publishing Industries | 8.8 | 8.6 | 2.2 | 8.8 | 8.6 | 2.0 |
| Motion Picture and Sound Recording | 4.4 | 4.4 | 0.1 | 4.9 | 4.8 | 0.4 |
| Telecommunications | 5.9 | 5.8 | 1.2 | 5.9 | 5.7 | 3.0 |
| Internet Service Providers | 8.5 | 7.5 | 12.9 | 8.3 | 7.3 | 13.9 |
| Financial Activities | 68.7 | 66.9 | 2.7 | 67.9 | 66.0 | 2.8 |
| Finance and Insurance | 51.9 | 50.7 | 2.4 | 51.5 | 50.3 | 2.4 |
| Real Estate and Rental and Leasing | 16.8 | 16.2 | 3.9 | 16.4 | 15.7 | 4.1 |
| Professional and Business Services | 150.7 | 142.1 | 6.1 | 149.3 | 141.4 | 5.6 |
| Professional, Scientific, and Technical Services | 57.2 | 53.1 | 7.7 | 55.8 | 52.3 | 6.7 |
| Architectural, Engineering, and Related | 10.7 | 10.1 | 5.9 | 10.7 | 10.1 | 6.0 |
| Computer Systems Design and Related | 12.5 | 11.5 | 8.8 | 12.1 | 11.4 | 6.7 |
| Management of Companies and Enterprises | 21.1 | 21.1 | 0.0 | 21.0 | 20.9 | 0.5 |
| Administration & Support | | | | | | |
| & Waste Management & Remediation | 72.4 | 67.8 | 6.7 | 72.5 | 68.2 | 6.3 |
| Employment Services | 25.8 | 22.4 | 15.2 | 25.2 | 22.1 | 14.0 |
| Business Support Services | 16.6 | 17.4 | -4.5 | 16.5 | 17.2 | -4.4 |
| Education and Health Services | 132.6 | 127.6 | 3.9 | 132.0 | 127.3 | 3.7 |
| Educational Services | 30.1 | 29.3 | 2.9 | 30.2 | 29.4 | 2.8 |
| Health Services and Social Assistance | 102.5 | 98.3 | 4.3 | 101.8 | 97.9 | 4.0 |
| Ambulatory Health Care Services | 39.1 | 37.2 | 5.2 | 38.9 | 36.9 | 5.4 |
| Hospitals | 29.6 | 28.8 | 2.7 | 29.4 | 28.7 | 2.5 |
| Nursing and Residential Care Facilities | 19.3 | 18.4 | 4.8 | 19.1 | 18.4 | 3.7 |
| Social Assistance | 14.6 | 14.0 | 4.2 | 14.4 | 13.9 | 4.0 |
| Leisure and Hospitality | 106.2 | 103.6 | 2.5 | 103.2 | 101.1 | 2.1 |
| Arts, Entertainment, and Recreation | 18.1 | 17.3 | 4.5 | 16.1 | 15.7 | 2.5 |
| Accommodation and Food Services | 88.1 | 86.3 | 2.1 | 87.1 | 85.3 | 2.1 |
| Accommodation | 16.6 | 16.2 | 2.4 | 16.1 | 15.7 | 3.0 |
| Food Services and Drinking Places | 71.5 | 70.1 | 2.1 | 70.9 | 69.7 | 1.8 |
| Other Services | 33.5 | 32.8 | 2.0 | 33.3 | 32.9 | 1.2 |
| Government | 206.4 | 203.0 | 1.7 | 206.6 | 203.4 | 1.6 |
| Federal Government | 34.5 | 34.3 | 0.5 | 34.6 | 34.6 | 0.0 |
| Federal Defense | 16.6 | 16.2 | 2.8 | 16.5 | 16.0 | 2.9 |
| Other Federal Government | 17.9 | 18.2 | -1.6 | 18.1 | 18.6 | -2.5 |
| State Government | 64.8 | 62.8 | 3.2 | 64.9 | 63.0 | 3.0 |
| State Schools | 36.1 | 35.3 | 2.3 | 36.2 | 35.4 | 2.3 |
| Other State Government | 28.7 | 27.5 | 4.3 | 28.7 | 27.6 | 4.0 |
| Local Government | 107.1 | 105.8 | 1.2 | 107.1 | 105.8 | 1.2 |
| Local Education | 63.9 | 62.7 | 1.9 | 63.6 | 62.7 | 1.5 |
| Other Local Government | 43.2 | 43.1 | 0.2 | 43.5 | 43.2 | 0.8 |

Source: Utah Department of Workforce Services f = forecast r = revised January 17, 2006

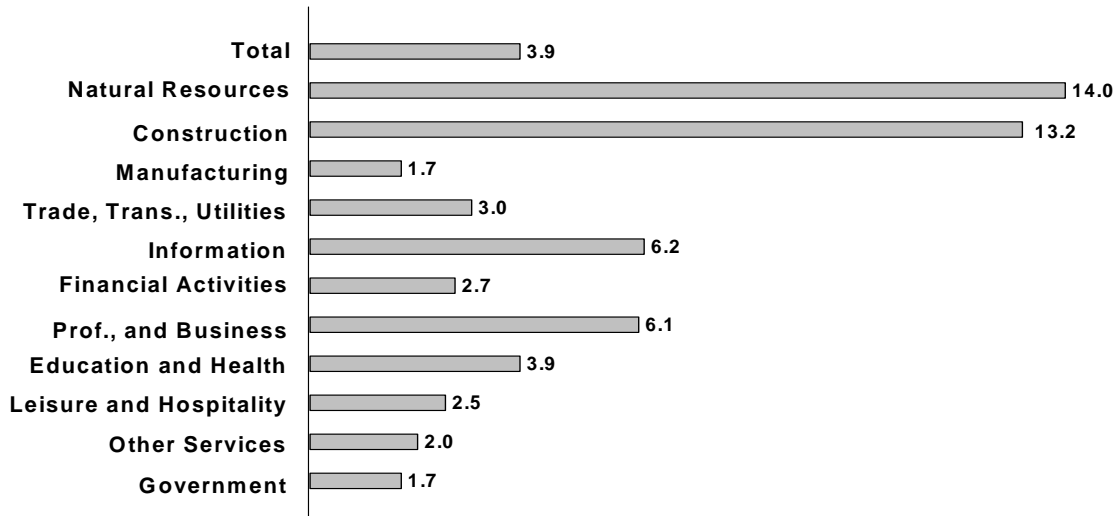
Year-Over Percent Change in Nonfarm Jobs



Seasonally Adjusted Unemployment Rates

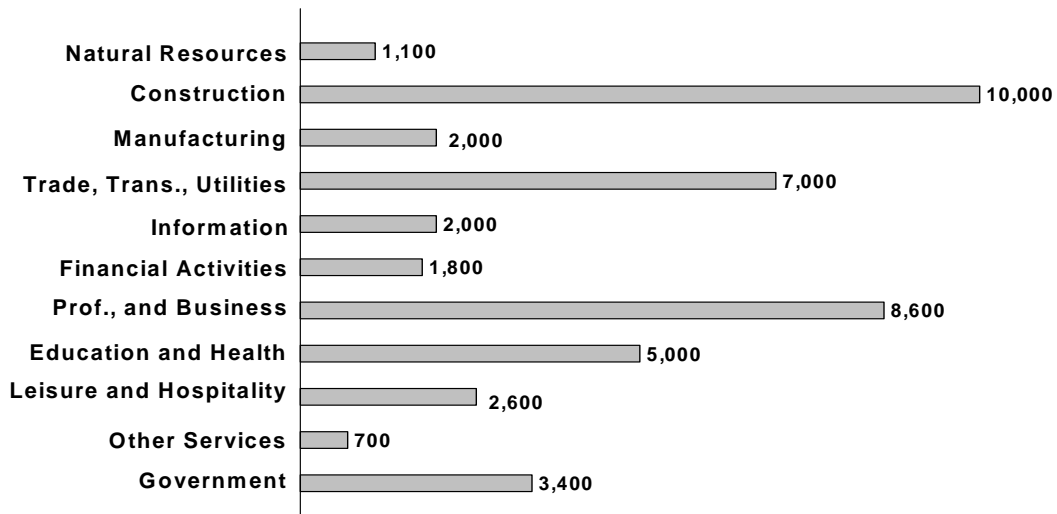


Utah Nonfarm Job Growth (Percent Change) December 2004 – 2005



Source: Utah Department of Workforce Services

Utah Nonfarm Job Growth (Numeric Change) December 2004 – 2005



Source: Utah Department of Workforce Services

NONFARM EMPLOYMENT IN UTAH'S COUNTIES

| | December 2005(f) | December 2004 | Percent Change | Nov. 2005(r) | Oct. 2005(r) |
|----------------------|---------------------|------------------|-------------------|-----------------|-----------------|
| State Total | 1,180,247 | 1,136,278 | 3.9 | 1,171,795 | 1,163,060 |
| Bear River | 67,891 | 66,743 | 1.7 | 67,744 | 67,925 |
| Box Elder | 19,196 | 18,533 | 3.6 | 19,286 | 18,869 |
| Cache | 48,150 | 47,636 | 1.1 | 47,900 | 48,475 |
| Rich | 545 | 574 | -5.0 | 558 | 581 |
| Wasatch Front | 778,579 | 750,730 | 3.7 | 772,693 | 764,662 |
| North | 194,654 | 187,158 | 4.0 | 194,667 | 192,316 |
| Davis | 99,108 | 94,425 | 5.0 | 99,894 | 98,433 |
| Morgan | 1,808 | 1,851 | -2.3 | 1,829 | 1,865 |
| Weber | 93,738 | 90,882 | 3.1 | 92,944 | 92,018 |
| South | 583,925 | 563,572 | 3.6 | 578,026 | 572,346 |
| Salt Lake | 569,811 | 550,899 | 3.4 | 563,882 | 558,321 |
| Tooele | 14,114 | 12,673 | 11.4 | 14,144 | 14,026 |
| Mountainland | 201,759 | 192,676 | 4.7 | 197,499 | 195,232 |
| Summit | 21,702 | 20,288 | 7.0 | 18,663 | 17,821 |
| Utah | 174,318 | 166,853 | 4.5 | 173,093 | 171,238 |
| Wasatch | 5,739 | 5,535 | 3.7 | 5,743 | 6,173 |
| Central | 22,559 | 22,549 | 0.0 | 22,949 | 23,203 |
| Juab | 3,122 | 2,924 | 6.8 | 3,140 | 3,268 |
| Millard | 3,775 | 3,799 | -0.6 | 3,819 | 3,873 |
| Piute | 288 | 339 | -15.1 | 297 | 319 |
| Sanpete | 7,123 | 7,086 | 0.5 | 7,230 | 7,195 |
| Sevier | 7,408 | 7,533 | -1.7 | 7,553 | 7,509 |
| Wayne | 842 | 868 | -3.0 | 910 | 1,041 |
| Southwestern | 71,390 | 66,728 | 7.0 | 71,785 | 72,159 |
| Beaver | 1,940 | 1,872 | 3.6 | 1,956 | 1,930 |
| Garfield | 1,769 | 1,806 | -2.0 | 1,997 | 2,463 |
| Iron | 16,466 | 15,656 | 5.2 | 16,738 | 16,695 |
| Kane | 2,539 | 2,578 | -1.5 | 2,706 | 2,837 |
| Washington | 48,675 | 44,816 | 8.6 | 48,388 | 48,234 |
| Uintah Basin | 17,924 | 17,011 | 5.4 | 18,207 | 18,387 |
| Daggett | 363 | 343 | 6.0 | 424 | 452 |
| Duchesne | 5,867 | 5,489 | 6.9 | 6,012 | 5,912 |
| Uintah | 11,693 | 11,179 | 4.6 | 11,770 | 12,023 |
| Southeastern | 20,144 | 19,841 | 1.5 | 20,919 | 21,492 |
| Carbon | 8,895 | 8,690 | 2.4 | 9,069 | 9,156 |
| Emery | 3,686 | 3,697 | -0.3 | 3,798 | 3,837 |
| Grand | 3,767 | 3,631 | 3.7 | 4,181 | 4,499 |
| San Juan | 3,796 | 3,823 | -0.7 | 3,871 | 4,000 |

f = forecast r = revised but not final.

Note: Numbers have been left unrounded for convenience rather than to denote accuracy.

Source: Utah Department of Workforce Services, Workforce Information, 1/17/06